1   Adopt 2 Cal. Code Regs. Section 18521.5 to read:

2   **§ 18521.5. Ballot Measure Committees Controlled by Candidates for Elective State**

3   **Office.**

4   Except as otherwise provided for recall committees under Section 85315 and

5   Regulation 18531.5, a candidate for elective state office may control a committee under

6   Section 82013(a) to support or oppose the qualification or passage of a measure, only as

7   provided in this regulation.

8   (a) Committee Name

9   (1) If the committee is a general purpose ballot measure committee, the

10   committee name shall include the name of the controlling candidate pursuant to

11   Regulation 18402(c)(1), and expressly indicate it is a ballot measure committee.

12   (2) If the committee is a primarily formed ballot measure committee, the

13   committee name shall include, in addition to the information set forth in subdivision

14   (a)(1), the information required in Section 84107, and in Section 84504 and Regulation

15   18450.3.

16   (b) Statement of Organization.

17   (1) The committee shall identify on its Statement of Organization each measure

18   on which the committee has spent, or anticipates spending, $50,000 or more in the

19   current two year period, beginning with January 1 of an odd-numbered year and ending

20   with December 31 of the following even-numbered year.

21   (2) If an official ballot designation has not been assigned to a measure or

22   potential measure that must be identified pursuant to subdivision (b)(1), the Statement of

23   Organization shall describe the purpose of the anticipated measure or measures. The

1   committee shall amend its Statement of organization pursuant to Section 84103 to

2   correctly identify the measure or measures after an official ballot designation has been

3   assigned.

4   (c) Application of Section 85310. If the committee makes a communication

5   described in Section 85310(a) that "clearly identifies" a candidate for elective state

6   office, as defined in Regulation 18531.10(a)(1), contributions to the committee are

7   subject to the limit prescribed for political party committees in Section 85303(b) if the

8   communication is made at the behest of the clearly identified candidate.

9   (d) Committee Expenditures

10   (1) Except as permitted under paragraphs (2) and (3) below, committee funds

11   shall be used only to make expenditures related to a state or local measure or potential

12   measure anticipated by the committee, or to qualification or pre-qualification activities

13   relating to such measures. Such expenditures include, but are not limited to, payment of

14   the committee's reasonable and ordinary operating costs, administrative overhead,

15   fundraising activities, travel, compliance costs, and attorney's fees incurred as a result of

16   the committee's activities.

17   (2) The committee may at any time return all or part of a contribution to a

18   committee contributor.

19   (3) A committee that is preparing to terminate its status as a committee may, at

20   any time within 60 days prior to the effective date of its termination, disburse some or all

21   of its leftover funds pursuant to subdivision (b)(3) of Section 89519.

1   (e) In addition to any other reporting and recordkeeping requirements, the

2   committee shall also comply with the provisions of Regulations 18401 (a)(6) and

3   18421.8.

4   (f) No provision of this regulation shall be construed to permit any of the

5   following:

6   (1) A contribution of committee funds to a controlled committee of a candidate

7   for elective office that is not operated as a candidate controlled ballot measure committee

8   pursuant to this section.

9   (2) A payment of committee funds in violation of the restrictions on use of

10   campaign funds by candidate controlled campaign committees described in Sections

11   89511 through 89518.

12   (3) A use of committee funds in violation of Elections Code Section 18680.

13   Note: Authority cited: Section 83112, Government Code.

14   Reference: Sections 82013, 82016, 82027.5, 82047.5, 84102, 84103, 84107, 84504,

15   85301, 85302, 85303, 85310, Government Code; Section 18680, Elections Code.